

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**HB 1921 - SB 2105**

March 6, 2016

**SUMMARY OF BILL:** Clarifies that during the redemption period of property purchased at a tax lien sale when such property is required to be held by the purchaser as codified in Tenn. Code Ann. §§ 67-5-2701-2702, the purchaser of the property has no obligation to purchase property insurance for the parcel, and is not liable to a person who redeems the parcel for damages inflicted upon the parcel during the redemption period, unless the damages are directly caused by intentional acts of the purchaser.

**ESTIMATED FISCAL IMPACT:**

**NOT SIGNIFICANT**

Assumptions:

- Pursuant to Tenn. Code Ann. § 67-5-2506, it is the duty of the county clerk to place a bid on a property that is being auctioned if no other bidder offers a bid for the amount of taxes and other fees that are owed on the property; unless the county legislative body has determined that no bid should be made by the clerk due to a determination that such property poses an environmental risk.
- Pursuant to Tenn. Code Ann. § 67-5-2507(a)(2), during the redemption period of land purchased at a tax lien sale, the land is required to be held and only used in a manner that will not result in a waste of the land.
- Currently, there is no provision in Tennessee Code Annotated requiring a purchaser to buy insurance on property purchased at a tax lien sale.
- Any change in the number of court actions as a result of this bill is estimated to be not significant.
- Any impact to a private party purchasing property at a tax lien sale will be borne by private parties.

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## **IMPACT TO COMMERCE:**

**NOT SIGNIFICANT**

Assumption:

- The provisions of the bill will have no impact on commerce or jobs in Tennessee.

## **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

/amj